

Mr. A. K. Vengu Ayyar.—The Government do not consider the restriction, if any, such as would retard or affect the work of the Committee.

247. Mr. Poulo Mampilli.—Will the Government be pleased to modify its order so as to have (i) the sittings of the Committee open to the public, (ii) to authorise the Committee to examine officials other than Heads of Departments, if the Committee decides it necessary, and (iii) to remove restrictions on non-official evidence?

Mr. A. K. Vengu Ayyar.—The question is under consideration.

248. Mr. Poulo Mampilli.—Will the Government be pleased to state the reasons that induced them to appoint to the Special Finance Committee, apart from the members of the Standing Finance Committee, only elected Members of the Council belonging to one community in the State?

Mr. A. K. Vengu Ayyar.—The question of communal considerations was never thought of by the Government when the selection of members was made.

249. Mr. Poulo Mampilli.—Will the Government be pleased to state whether the major communities in the State were denied real representation on the Committee, because they were found undeserving of such consideration or the Government could not get gentlemen belonging to those communities who in the opinion of the Government would have graced the Committee by their presence?

Mr. A. K. Vengu Ayyar.—Vide answer to question No. 248.

250. Mr. Poulo Mampilli.—Will the Government be pleased to state the special qualifications to the non-official members of the Special Finance Committee to be members thereof?

Mr. A. K. Vengu Ayyar.—Nothing special except that they are, in the opinion of the Government, qualified to be members.

The supply of medicines.

251. Dr. A. G. Menon.—Will the Government be pleased to lay on the table—

(a) P. No. 145/00, dated 4th November 1924, L. M. D. with the endorsement thereon;

(b) the order of the Government on P. No. 214/99, dated 17th November 1924;

(c) the correspondence that passed between Messrs. Ferris & Co., and the Chief Medical and Sanitary Officer on the subject of the supply of medicines, after the contract was given to Messrs. Dadha & Co., if any?

Diwan Bahadur Dr. V. Verghese.—(a) (*Vide Appendix I.*)

(b) No such order is forthcoming. The reference quoted appears to be incorrect.

(c) (*Vide Appendix II.*)

Dr. A. G. Menon.—I may be allowed to put supplementary questions. On the second day of the meeting, I put certain questions. In the absence of certain files which the Government ought to have placed on the table, they were not put, and now I may be allowed to put them. The answer to question 25 (1) is that there are no complaints about the quality of medicines supplied by Messrs. Ferris & Co., and the answer to question 25 (3) (e) is there was a complaint about the present supply. What were the complaints regarding the general supply in which deduction was made?

Diwan Bahadur Dr. V. Verghese.—General supply means the whole supply. Excepting in the case of one or two, especially an acid (which was bad, and hence I had to return it), the others were alright.

President.—General supply refers to the whole supply.

Dr. A. G. Menon.—Messrs. Ferris & Co. made it clear that they would concede to the special supply and terms, etc., for the medical supply of the State. Did they ever say that they will not concede more favourable terms to our Government?

President.—Was any reference made as to whether they would grant more favourable concession to the Government?

Diwan Bahadur Dr. V. Verghese.—No. They had made it clear that they are giving us concessional terms for the State. I did not think it worth while to go and ask a European firm of reputation, when they can be had for a cheaper rate from an Indian firm.

President.—It is enough, if you say that no reference was made.

Dr. A. G. Menon.—Since they were supplying for a longer period of time, why was not this reference made?

President.—The Chief Medical and Sanitary Officer did not consider it necessary. That is all.

Dr. A. G. Menon.—Of course, the Madras firm shows 25 per cent of deduction of the wholesale price. That is startling. And, as stated by the Medical Officer, it is clear that there is some defect in the supply of medicine.

President.—These are all remarks and not questions for information.

Dr. A. G. Menon.—Why did not the Government invite tenders for the supply of medicine?

President.—Any special reason for not inviting tenders?

Diwan Bahadur Dr. V. Verghese.—Ordinarily, no tenders are invited by the Government for the supply of medicines. It is not in vogue in this State nor anywhere in British India that I know of. I did not call for tenders practically, but I wrote to several firms, e. g., Messrs. Smith & Co., Madras, etc., to quote special terms of wholesale supply to the State, and all the prices were compared, and I came to the conclusion that this was cheap on the whole, consistent with quality and everything else.

Dr. A. G. Menon.—In the first year itself there is complaint regarding the supply.

President.—With regard to Messrs. Ferris & Co., they were supplying for 25 years, and there was no complaint. But year after year were you calling for tenders?

Diwan Bahadur Dr. V. Verghese.—No.

President.—It is a standing firm doing business properly and to the satisfaction of the Department.

Dr. A. G. Menon.—Then why was this contract taken away? Inviting tenders will be more profitable. May I know why that procedure was not adopted by the Chief Medical and Sanitary Officer?

President.—In British India do they call for tenders?

Dr. A. G. Menon.—The supply is sent directly by the Secretary of State, and it is arranged with a firm. That is one of the complaints raised in the Council of State and the Legislative Assembly, that that contract should not be given by the Secretary of State, but should be given by the respective Governments.

President.—In Travancore, Mysore, and Pudukkottai they do not call for tenders. They find out who are the respectable merchants who would supply medicine of good quality and at reasonable rates. Even in the D. P. W. I know they do not call for tenders, but we have nevertheless recognised standing contractors who could be relied upon to do their work properly. In such cases we do not think it necessary to call for tenders. That is the usual process.

Dr. A. G. Menon.—Messrs. Ferris & Co. were executing their work properly, and in consideration of the prices, they were not given even this order. They requested the Government to send an indent, and they offered to quote prices. Being a long-standing firm supplying medicines to the State, it

is rather only an extension of courtesy that they should have been asked to quote prices.

The number of Hostels—Government and aided.

252. Mr. K. T. Mathew.—Will the Government be pleased to mention—

- (a) the number of hostels, Government and aided, in the State;
- (b) how many of them are 1. Boys' Hostels 2. Girls' Hostels and 3. Mixed Hostels for Boys and Girls;
- (c) the institutions to which the aided hostels are attached;
- (d) the names of aided hostels, the number of boarders in each of them in the first and last months of the academical year 1925—1926 and the monthly grant given to them;
- (e) whether the grant is given according to the number of boarders; and if the answer is in the affirmative;
- (f) what is the grant given per boarder;
- (g) whether any distinction is made between boys and girls in giving grant;
- (h) what is the grant given in the case of a boy and of a girl;
- (i) the principle or rule adopted in giving grant, in case grant is not given according to the number of boarders?

Mr. C. Matthai.—(a) There are now 13 hostels in the State, of which 6 are managed by Government, and 7 are aided.

(b) Of the 13 hostels given in (a), 10 are for boys and 3 for girls

(c) and (d). A statement is appended. (*Vide Appendix III.*)

(e) Now the grant is given according to the number of boarders.

(f) A grant of Rs. 1-4-0 per boarder per mensem is given to all the aided hostels except the Tiyya Girls' Hostel at Ernakulam and the Muslim Hostel at Kunnankulam. In the case of the former the rate is Rs. 1-5-0 per boarder and in the latter Re. 1 per pupil of the Primary department.

(g) Subject to the exceptions given in (f), no distinction is made.

(h) Vide answer to part (f) supra.

(i) No reply is necessary in view of the answer to part (e).

Mr. K. T. Mathew.—What is the reason for giving this differential treatment to the boarders of the Tiyya Girls' Hostel, Ernakulam?

President.—There is some concession shown to them.

APPENDIX I.

(Vide Answer to Question No. 251 (a).)

From

Elappulli, 23rd October 1924.

M. SANKARA MENON,
Agent, Dadha & Co.,
Chemist and Druggist,
Elappulli, P. O. Palghat.

To

THE DIWAN OF COCHIN,
Ernakulam.

Sir,

I beg to state that I was pointing out to you since 3 years that the State are losing every year by Rs. 10,000 (Ten thousand). I had a personal talk with the present Chief Medical and Sanitary Officer about supplying medicines to the State, and have given a quotation of ours and statement to Chief Medical and Sanitary Officer showing the difference in rate between the present supplier of medicines, etc., Messrs. Ferris & Co., London and Messrs. Dadha & Co., Madras.

Chief Medical and Sanitary Officer gave me an Invoice from Messrs. Ferris & Co., A/C Mala Dispensary, to check along with Messrs. Dadha & Co.'s rates.

Comparative rates.							
A/C Mala Dispensary.							
Messrs. Ferris & Co.	Rs.	A.	P.	Messrs. Dadha & Co.	Rs.	A.	P.
Cost of medicines				As per quotation	419	6	0
as per Invoice	446	0	6				
Less 12½ o/o	56	4	0	Ferris & Co.	389	12	6
Actual cost	389	12	6	Difference	29	9	6
Ferris packing charges					36	0	0
Dadha's rate by "					29	9	6
In our favour					6	6	6

Rs. 6—6—6 is Dadha is cheaper than Ferris in over Rs. 400, i. e., in every thousand there will be a profit of Rs. 15 to the State, if you buy from Dadha.

Besides the above Rs. 15, the amount, whatever it may be, you now pay to Messrs. Peirce Leslie & Co., Ltd., Cochin, in the shape of Custom Duty, godown rent and forwarding charges including Railway freight is a profit to the State, i. e., not less than Rs. 20,000. In my calculation there will be a profit of Rs. 15,000 to Rs. 20,000 roughly in a year. This I was pointing out to the Chief Medical and Sanitary Officer for the last 3 years.

I further beg to state that we are ready to give the best medicines and also in case you require, we are ready to open a Depot at Ernakulam or Trichur for your hospital requirements.

Chamber of Commerce wants to open a branch of ours at Cochin also.

I have the honour to be,

Sir,

Your most obedient servant,
(Sd.) M. Sankara Menon.

Endorsement on P. No. 145/00.

Forwarded to the C. M. & S. O. for disposal or report.

(By order)

(Sd.) P. Damodara Menon,
Secretary to the Diwan]

4th November 1924.

APPENDIX II.

(*Vide Answer to Question No. 251 (c).*)

Letter T/1, dated April 9th, 1925, from Messrs. Ferris and Co., Limited, Bristol.

It is about this time of year that we are accustomed to receive the indents for the Medical Department of your State, and we are hoping that indents are already on their way to us.

We have had the honour of supplying the drugs and medicines for the Cochin State for many years past, and we believe that Dr. Geo. Coombes, M. B. E., Darbar Physician, has always been satisfied with the quality of our drugs and the way in which the orders have been executed.

On a recent letter from your office, in reference to Lawson Tait's Cots, we noticed that Dr. Coombes' familiar signature was not appended, and that your name appeared in its place. We do not know whether we are correct in assuming that Dr. Coombes has retired, and that you have been appointed Darbar Physician and Chief Medical Officer, permanently—if so, we venture respectfully to congratulate you on the appointment and to express a hope that you will continue to favour us with the annual indents for all your requirements in the way of drugs and medicines.

We can assure you that we shall spare no pains whatever to give you complete satisfaction, and our long experience in supplying the State enables us to carry out the orders entirely in accordance with your wishes, and those of your subordinates.

The monsoon will be breaking before long, when it is sometimes difficult to land shipments on the Malabar coasts, and for this reason we earnestly hope that the orders may reach us very quickly, so as to enable us to make speedy shipment.

This office letter, R. O. C. No. 3149 of 1100, dated 19th May 1925, to Messrs. Ferris and Co., Limited.

With reference to your letter, dated 9th April 1925, I have the honour to inform you that I have not altogether taken the supply of drugs, etc., out of your hands, but only made a trial this year to see whether the terms offered by one of the firms in Madras would effect, as assured by them, an annual saving of about Rs. 10,000, if the orders were placed with them.

I hope this trial would not put you to any inconvenience and disappointment, as I understand that similar trials were made once or twice during my predecessor's time.

Letter from Messrs: Ferris and Co., Limited, Bristol, T/1, 25th June 1925.

We have to acknowledge the receipt of your letter C. No. 3149 of 1100, despatched 19th May 1925, in reference to the annual supply of drugs for the Medical Department of the Cochin State.

We are naturally disappointed that we are not to have the honour of supplying the drugs for your department this year, since we have dealt with the indents for such a long period, and look upon the Cochin Government as one of our oldest and most valued customers. We are however very pleased to learn that the supply has not been taken out of our hands altogether, and that the change made this year is only by way of a trial.

On looking back through our records for some time past we can only find one year when we did not execute the indent, viz., 1915—although for several years the orders came through London merchants, first Messrs. John Dickinson and Co., and afterwards Messrs. Sydenham and Pound, instead of direct to us.

In your letter you inform us that the indent this year has been placed with a Madras firm on their assurance that an annual saving of about ten thousand rupees would be effected by so doing.

We venture respectfully to express the opinion that no saving whatever will be effected, but that, on the other hand, the supply from Madras will cost the State more than if ordered direct from us.

Your indents average between £. 2,500 and £. 3,000 a year, say Rs. 37,500 to Rs. 45,000 so that, if the Madras firm can show you a saving of Rs. 10,000, it means a reduction of about 25 per cent which is certainly a startling proposition.

The only medicines in the indents upon which the Madras firm might show you some saving in price would be the Tinctures, and alcoholic preparations, by reason of the differential duty which has been introduced by the Government of India. The duty charged upon imported Tinctures is Rs. 21—14—0 per proof gallon, whereas the duty levied on spirit used in making tinctures in India is only Rs. 5.

Against this, however, must be put the much higher cost to the Indian manufacturer of the crude drugs and materials needed for preparing the Tinctures, so that, although the difference in duty would appear to place the manufacturer in this country at a great disadvantage, this would be very largely counterbalanced by his much cheaper cost of production.

We have not had an opportunity of seeing any recent price lists of Tinctures, etc., issued by Indian Firms of Druggists, but we should imagine that there would be very little difference between their price for this class of medicines and our price plus the duty.

For everything else the Indian Druggist must necessarily be dearer as he has to import his drugs and chemicals from Europe, pay duty and cost of storage, etc., and also make up for losses caused by deterioration, climatic conditions and breakages.

When making a comparison of the cost of the Medical Stores from the Madras firm and the estimated cost of the same supply from ourselves, the special prices and terms which we concede to the Cochin Government should be borne in mind :—

(1) The drugs are invoiced at special prices, in nearly every case somewhat less than our regular printed rates.

(2) A discount of 12½ per cent (i. e., an allowance of one-eighth) is deducted from the invoices.

(3) Freight to Cochin and Insurance against all risks is paid by us including 'hazardous' and dangerous goods carried on deck.

(4) Breakages and shortages, if any, are allowed for, or made good.

If you are desirous of instituting a correct comparison between the prices charged by the Indian firm, and the cost of the indent had it been sent to us, we would respectfully suggest that you should send us a copy of this year's indents. We will go through them carefully and tell you the exact total which our invoices would have amounted to in sterling, at prices ruling at the date the indent should have been submitted.

This will save you a considerable amount of trouble, and will have the advantage of being accurate. We have every confidence that the result will be largely in our favour.

We sincerely hope that next year's indents may be entrusted to us again, and we need hardly say that they will receive the greatest possible attention.

We know from previous experience that our drugs and medicines are fresh, active, and of first rate quality, and that everything is most carefully and skilfully packed, so that we need say nothing further on these points.

QUESTIONS AND ANSWERS

2073

We must apologise for troubling you with such a lengthy letter, but we feel that it will convince you how much we value your indents and how anxious we are to retain them.

APPENDIX III.

(Vide Answer to Question No. 252.)

Particulars of the aided hostels in the State, showing their names, the institutions to which they are attached, the number of boarders in each of them during the first and last month of the academical year 1925-1926 and the monthly grant given to each of them.

Serial Number	Name of the hostels	Institutions to which they are attached	Strength of the hostel in the first and last months of the academical year 1925—1926	Grant given per mensem
1	Tiyya Girl's Hostel, Ernakulam	Maharaja's College, Ernakulam	25	Rs. 32-13-0 plus Rs. 27-8-0 towards half the rent of the Hostel building
2	Tiyya Boys' Hostel, Ernakulam	do	22	Rs. 27-8-0
3	Muslim Hostel, Ernakulam	do	12	Rs. 15-0-0
4	Young men's Christian Association Hostel, Kunnankulam	Boys' High School, Kunnankulam	8	Rs. 10-0-0
5	Young Women's Christian Association, Kunnankulam	Girls' High School, Kunnankulam	15	Rs. 15. Fixed grant
6	Muslim Boys' Hostel, Kunnankulam	Boy's High School, Kunnankulam	9 (4 Secondary and 5 Primary)	Rs. 10-0-0
7	Muslim Girls' Hostel, Kunnankulam	Girls' High School, Kunnankulam	8	Rs. 8